

Message Text

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SUBJECT: TELESAT PRESIDENT'S VIEWS ON WESTAR II

ORBITAL POSITION SHIFT

FOLLOWING IS TEXT OF CANADIAN PRESS ARTICLE ENTITLED
"TELESAT MAY LOSE MILLIONS TO U.S." PUBLISHED IN
MONTREAL GAZETTE ON FEBRUARY 22, 1975, AND BASED ON
STATEMENT BY DAVID GOLDEN, PRESIDENT OF TELESAT
CANADA. THIS IS THE FIRST PUBLIC INDICATION OF THE
CONTROVERSY BETWEEN TELESAT AND WESTERN UNION WHICH
EMBASSY HAS NOTED IN CANADIAN NEWSPAPERS.
BEGIN TEXT. A UNITED STATES COMMUNICATIONS SATELLITE
IS SHIFTING ORBIT, AGAINST CANADIAN OBJECTIONS, AND
MIGHT CAUSE A MULTI-MILLION-DOLLAR BUSINESS LOSS FOR
TELESAT CANADA, THE SATELLITE COMMUNICATIONS COMPANY
SET UP AND HALF-OWNED BY THE GOVERNMENT.
WESTERN UNION TELEGRAPH CO. OF THE UNITED STATES IS
ALTERING THE POSITION OF ITS SATELLITE WESTAR II
TO IMPROVE ITS CAPACITY TO HANDLE SIGNALS TO AND
FROM ALASKA AND THE LOWER 48 STATES.
THE ORBITAL SHIFT CAUSED SOME TEMPORARY OPERATIONAL
PROBLEMS FOR TELESAT'S TWO-SATELLITE ANIK SYSTEM
EARLIER THIS WEEK, COMPANY PRESIDENT DAVID GOLDEN
SAID YESTERDAY. IT ALSO THREATENS TO TAKE ALASKA
BUSINESS AWAY FROM TELESAT.

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THE WESTAR SHIFT MARKS THE LATEST MOVE AUTHORIZED BY

THE U.S. FEDERAL COMMUNICATIONS COMMISSION IN WESTAR'S CAMPAIGN TO TAKE SOME BUSINESS FROM TELESAT.

GOLDEN DECLINED TO SAY HOW MUCH BUSINESS IS AT STAKE IN THE MOVES TO TRANSFER CHANNEL LEASING BY RCA LTD. OF THE U.S. TO RIVAL WESTERN UNION AND AWAY FROM TELESAT.

BUT THE VALUE OF RCA BUSINESS TO TELESAT IN 1975 HAS BEEN ESTIMATED AT \$6 MILLION. TELESAT'S TOTAL OPERATING REVENUE IN 1973, THE LAST FULL YEAR REPORTED, WAS \$19 MILLION.

GOLDEN SAID THAT WHEN ALL ISSUES ARE RESOLVED AMONG TELESAT, WESTERN UNION, RCA AND THE FCC, "IT COULD INVOLVE ONE-THIRD OR ONE-HALF OR TWO-THIRDS" OF THE 1975 BUSINESS WITH RCA. "I CAN'T REALLY SAY."

THE TELESAT PRESIDENT SAID THE RCA BUSINESS HAS BEEN "VERY, VERY VALUABLE" BUT WAS NEVER EXPECTED TO BE MORE THAN TEMPORARY. RCA PLANS TO PUT UP ITS OWN COMMUNICATIONS SATELLITE AT THE END OF THIS YEAR, HE SAID.

INVOLVED ARE TWO RCA COMMUNICATIONS SYSTEMS - RCA GLOBAL COMMUNICATIONS INC. AND RCA ALASKA COMMUNICATIONS INC.- WHICH HAVE BEEN LEASING CHANNEL SPACE ON TELESAT'S ANIK II SATELLITE FOR MORE THAN YEAR.

THE BUSINESS WAS WORTH MORE THAN \$3.5 MILLION LAST YEAR TO TELESAT, THE COMPANY SET UP IN 1969 TO OPERATE THE ANIK SYSTEM IN PARTNERSHIP BETWEEN THE GOVERNMENT AND PRIVATE CANADIAN COMMUNICATIONS COMPANIES. END TEXT.

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